

# 2011 Property Tax Report

## Ohio County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Ohio County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Ohio County

The average homeowner saw a 28.8% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 26.3% lower than they were in 2007, before the property tax reforms.
96.1% of homeowners saw lower tax bills in 2011 than in 2007.
86.6% of homeowners saw tax increases of 20% or more from 2010 to 2011.
The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	1,530	96.8%	59	3.7%
No Change	17	1.1%	2	0.1%
Lower Tax Bill	34	2.2%	1,520	96.1%
<b>Average Change in Tax Bill</b>	<b>28.8%</b>		<b>-26.3%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	1,369	86.6%	28	1.8%
10% to 19%	132	8.3%	6	0.4%
1% to 9%	29	1.8%	25	1.6%
0%	17	1.1%	2	0.1%
-1% to -9%	10	0.6%	44	2.8%
-10% to -19%	10	0.6%	238	15.1%
-20% to -29%	5	0.3%	573	36.2%
-30% to -39%	1	0.1%	351	22.2%
-40% to -49%	3	0.2%	160	10.1%
-50% to -59%	1	0.1%	66	4.2%
-60% to -69%	1	0.1%	28	1.8%
-70% to -79%	2	0.1%	24	1.5%
-80% to -89%	0	0.0%	18	1.1%
-90% to -99%	0	0.0%	4	0.3%
-100%	1	0.1%	14	0.9%
<b>Total</b>	<b>1,581</b>	<b>100.0%</b>	<b>1,581</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

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 HIGHER TAX RATES AND THE LOSS  
 OF STATE HOMESTEAD CREDIT  
 RAISE HOMEOWNER TAX BILLS  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 28.8% on average in Ohio County in 2011. This was much more than the state average of 4.4%. Ohio County homestead taxes were still 26.3% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was mostly due to a large increase in tax rates. Tax rates in Ohio County are still among the lowest in the state, however. The phaseout of the state homestead credit in 2011 also contributed to the tax bill increase.

#### Tax Rates

Property tax rates increased in all Ohio County tax districts. The average tax rate increased by 18.7% because a small increase in net assessed value was exceeded by a larger increase in the levy. Levies in Ohio County increased by 21.0%. The biggest levy increases were in the county general fund and in all funds of Rising Sun-Ohio County Community Schools. Ohio County's total net assessed value increased 2.0% in 2011. Homestead and agricultural net assessments increased by 3.0% and 6.0%, respectively. Other residential assessments showed a small increase at 1.5%, while business net assessments decreased by 0.3%.

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## TAX INCREASES FOR ALL NONHOMESTEAD

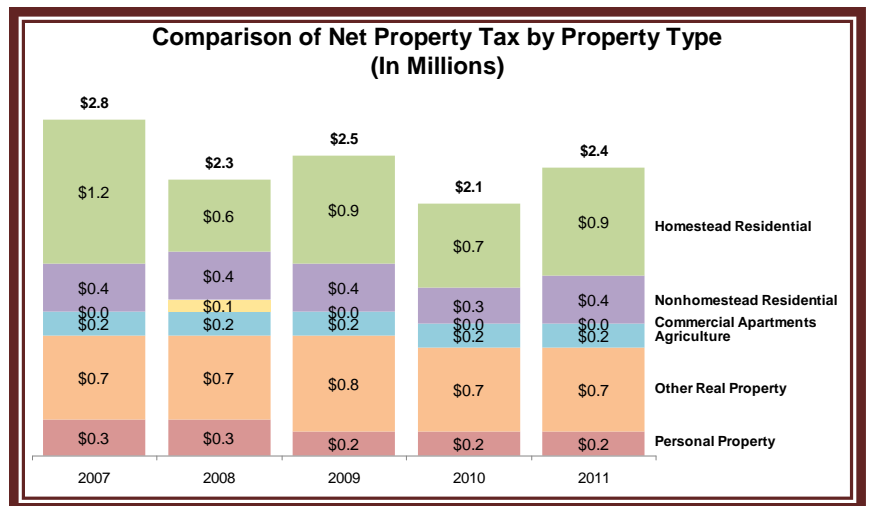
### PROPERTY CATEGORIES

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#### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 22.9% in Ohio County in 2011, much higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 27.0%. Tax bills for commercial apartments rose 18.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – were up by 16.5%. These large tax bill increases reflect the large

tax rate increases in Ohio County in 2011. Agricultural tax bills rose 29.2%. This was mainly due to higher tax rates, but also to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011. Note that Ohio County tax rates remained among the lowest in Indiana, even after the large increases.



#### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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## TAX CAP CREDITS WERE NEAR ZERO IN OHIO COUNTY BECAUSE TAX RATES WERE

### SO LOW

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Ohio County tax cap credit losses were near zero in 2011. Ohio County's tax rates were so low that no property owner was eligible for the regular tax cap credits. The only credits were for the 2% limit on tax bill increases for low income homeowners 65 and over. The large tax rate increase caused an increase in this credit. Still, Ohio County's total tax cap credits were less than 0.05% of the total levy. The largest dollar losses were in the Rising Sun-Ohio County Community School Corporation and the county unit.

Ohio County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$0	\$0	\$0	\$136	\$136	0.0%
2011 Tax Cap Credits	0	0	0	1,051	1,051	0.0%
Change	\$0	\$0	\$0	\$915	\$915	0.0%

#### The Effect of Recession

The 2009 recession had a mixed effect on Ohio County assessments for pay-2011. Business property values and construction activity appear to have fallen in Ohio County in 2009, but increases in homestead and other residential values and agricultural assessments more than offset this decline. Ohio County tax rates were too low for any property to be eligible for tax cap credits, so tax rate increases resulting from sluggish assessment growth had no effect on tax cap credits.

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## 2009 RECESSION HAD MIXED EFFECTS ON ASSESSMENTS IN 2011

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$240,721,500	\$244,024,000	1.4%	\$106,893,138	\$110,143,182	3.0%
Other Residential	36,605,200	37,130,300	1.4%	36,436,720	36,993,570	1.5%
Ag Business/Land	26,122,300	27,716,100	6.1%	26,088,340	27,645,240	6.0%
Business Real/Personal	101,319,465	99,568,890	-1.7%	88,580,735	88,311,190	-0.3%
<b>Total</b>	<b>\$404,768,465</b>	<b>\$408,439,290</b>	<b>0.9%</b>	<b>\$257,998,933</b>	<b>\$263,093,182</b>	<b>2.0%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Ohio County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	4,486,839	4,609,901	2,584,629	2,116,753	2,561,152	2.7%	-43.9%	-18.1%	21.0%
State Unit	6,932	7,296	0	0	0	5.3%	-100.0%		
Ohio County	1,282,177	1,272,178	1,113,837	766,364	942,807	-0.8%	-12.4%	-31.2%	23.0%
Cass Township	12,237	12,629	12,893	12,885	13,162	3.2%	2.1%	-0.1%	2.1%
Pike Township	11,115	11,827	12,221	12,282	12,603	6.4%	3.3%	0.5%	2.6%
Randolph Township	31,333	32,925	34,018	33,716	34,231	5.1%	3.3%	-0.9%	1.5%
Union Township	4,621	4,950	5,158	5,267	5,355	7.1%	4.2%	2.1%	1.7%
Rising Sun Civil City	339,240	356,222	359,103	352,603	363,861	5.0%	0.8%	-1.8%	3.2%
Rising Sun-Ohio County Community School	2,682,491	2,789,368	921,555	806,767	1,060,593	4.0%	-67.0%	-12.5%	31.5%
Ohio County Public Library	86,942	91,500	93,797	93,672	96,274	5.2%	2.5%	-0.1%	2.8%
Southeastern Indiana Solid Waste Mgt Dist	29,751	31,006	32,047	33,197	32,266	4.2%	3.4%	3.6%	-2.8%

### Ohio County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
58001	Cass Township	0.8609	--	--	--	--	--	--	0.8609
58002	Pike Township	0.8716	--	--	--	--	--	--	0.8716
58003	Randolph Township	0.8426	--	--	--	--	--	--	0.8426
58004	Rising Sun City	1.1404	--	--	--	--	--	--	1.1404
58005	Union Township	0.8426	--	--	--	--	--	--	0.8426

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Ohio County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	0	0	0	1,051		1,051	2,561,152	0.0%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	0	0	0	1,051		1,051	2,561,152	0.0%
Ohio County	0	0	0	386		386	942,807	0.0%
Cass Township	0	0	0	2		2	13,162	0.0%
Pike Township	0	0	0	12		12	12,603	0.1%
Randolph Township	0	0	0	14		14	34,231	0.0%
Union Township	0	0	0	1		1	5,355	0.0%
Rising Sun Civil City	0	0	0	151		151	363,861	0.0%
Rising Sun-Ohio Couty Community Sch	0	0	0	434		434	1,060,593	0.0%
Ohio County Public Library	0	0	0	39		39	96,274	0.0%
SE Indiana Solid Waste Mgt Dist	0	0	0	13		13	32,266	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.